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Product Brief

Gas Station Convenience Shops Booming 2001

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Report Highlights:

Gas station convenience shops will be modernized and their sales area wil increase. Thus, their significance as a food supplier wil continue to rise. U.S. exporters interested in supplying this market should contact wholesalers servicing gas marts. The greatest opportunities for U.S. products are in the snack food sector.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Vienna[AU1], AU

Gas Station Convenience Shops Booming

Summary

Gas station convenience shops belong to big gas station chains and are rented to individuals. The number of gas station shops is expected to stagnate or to decrease slightly. However, they will be modernized and their sales area will expand. It is expected that the food and beverage turnover of these shops will rise. U.S. exporters interested in supplying this market should contact wholesalers servicing gas marts. The greatest opportunities for U.S. products are in the snack food sector. End summary.

A. Turnover

According to a study of the consulting firm Regio Plan, the turnover of Austrian gas station convenience shops, excluding gastronomy, rose to AS 6.2 billion (U.S.\$ 415 million) in 2000. The average turnover was AS 2.5 million (U.S.\$ 167,500) but there are great differences between stores. For most gas stations the convenience shops have become an essential income source.

The turnover amount corresponds to 3.5 percent of the turnover of the total food retail trade. The strongest turnover segments are beverages and foods (combined 40%), followed by cigarettes. While the sale of tobacco products by gas convenience shops declined 4% compared to 1999, sales of non-alcoholic and particularly alcoholic beverages increased. The turnover of confectionaries remained unchanged.

Turnover Share in Percent of Total Sales in 2000

Confectionaries	13
Alcoholic beverages	15
Non-alcoholic beverages	13
Ice cream	3
Other foods	3
Cosmetics	0.5
Tobacco products	21
Car parts	10.5
Papers	8
Others	13

B. Consumer Structure

Gas station convenience shops have been gaining importance in the consumer market for a long time. According to a recent consumer survey, every second Austrian has at least once in his life purchased

foods or beverages in a gas station convenience shop. Around 65% of the gas station shop clients are regarded as "occasional" buyers, who frequent these stores four times a year. However, 35% buy at least three times a month in gas station convenience shops.

The majority of clients are car travelers stopping for filling gas. In addition, these shops are frequented by people looking to purchase basic food items after the relative early closing hours of Austrian food stores. Impulse purchasing is significant. In general, the average Austrian household spends AS 1,880 (U.S.\$ 126) per year in gas convenience shops.

C. Gas Companies and their Shops

The large gas companies operate their shops under certain names. The market is dominated by OMV, Shell, and BP. According to a Nielsen study, the best known convenience shops are those of BP and OMV.

Gas Companies and Gas Station Numbers

OMV and Stroh	551
Shell and Avanti	501
BP	419
Esso	239
Agip	194
Aral	167
Genol	153
Avia	90
Jet	61
Turmoel	32
IQ	21
AWI	16
API	7
Others	600

Share of the Total Number of Gas Station Convenience Shops in 2000:

Austrian Mineral Oil (OMV)	22%
BP	16%
Shell	12%
Esso	9%
Aral	7%
Agip	7%
Avanti	4%
Conoco	3%
Avia	1%

Discounters/others 19%

D. Distribution of Gas Station Convenience Shops and Future Development

Gas station convenience shops are primarily located in cities (80%) whereas the share in rural areas (14%) and on large roads/autobahns (6%) is only small. Due to their relatively low density, particularly in urban areas and the higher prices, they are no real threat for the traditional food retail trade. Food prices in gas convenience shops are roughly 25% above those of other food stores.

In 2000, there were 3,050 gas stations of which about 2,500 had gas convenience shops. In order to save costs, a large number of uneconomical gas stations will be closed. It is expected that by 2005, the figure of gas stations will be down to around 2,500. Remaining gas stations will be modernized and all of them will have convenience shops. The shopping area will be considerably enlarged, which will result in a rising supply and consequently higher turnover. The current sales area is in general small; around 70% of the convenience shops are below 40 square meter and the rest 41 - 80 square meter.

On the fast food sector, where gas convenience shops have already a market share of 25%, they will gain further significance.

E. Distribution Channels

Generally, foods and beverages are obtained from wholesalers which have a special branch for serving gas station shops. The main wholesale companies supplying gas station stores are Lekkerland, Kinast, and Kastner. Lekkerland is by far the largest company.

In general, gas station chains determine the products to be placed on shelves of their company stores. Thus, it makes no sense to offer any products to gas station shops which are usually rented by individuals. All offers should be directed to the wholesalers who forward and discuss these offers with the gas station chains.

F. U.S. Sales Opportunities

Among U.S. products, snacks, particularly dried fruits, nuts and various mixtures of these products should have the best market opportunities. Snack items unavailable in other European markets will also be in high demand.

G. List of Wholesalers Serving Gas Station Shops:

Lekkerland AG
Handelsstr. 1
A - 2630 Ternitz

Phone: + 43 (2630) 36 415
Fax: + 43 (2630) 36 415 33

Julius Kiennast
Hauptplatz 7
A - 3571 Gars am Kamp
Phone: + 43 (2985) 2341
Fax: + 43 (2985) 2942

Kastner Grosshandels Ges.m.b.H
Attn. Mr. Christof Kastner
A - 3910 Zwettl
Phone: + 43 (2822) 524 34
Fax: + 43 (2822) 524 34 121